

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

## We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature			Date	

OCEOLA TOWNSHIP

REPORT ON AUDIT OF  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2005

## **OCEOLA TOWNSHIP**

### **TOWNSHIP OFFICIALS**

Supervisor - William Bamber  
Clerk - Kathleen McLean  
Treasurer - Evelyn Cornell

### **BOARD OF TRUSTEES**

William Bamber  
Evelyn Cornell  
Sean Dunleavy  
Ed Fox  
Kieth Huff  
Kathleen McLean  
Lance Schuhmacher

### **LEGAL COUNSEL**

Neal Nielsen & Associates

### **TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PFEFFER ■ HANNIFORD ■ PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

*Members:*  
*AICPA Private Practice Companies Section*  
*MACPA*

**225 E. Grand River - Suite 104**  
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October 5, 2005

Board of Trustees  
Oceola Township  
1577 North Latson  
Howell, Michigan 48843

**INDEPENDENT AUDITORS' REPORT**

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oceola Township as of and for the year ended June 30, 2005, which collectively comprise Oceola Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oceola Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Oceola Township as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other Required Supplementary Information on pages 9 through 13 and 35 through 36 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oceola Township's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining statements and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pfeffer, Hanniford & Palka, P.C.*

**PFEFFER, HANNIFORD & PALKA**  
**Certified Public Accountants**



MANAGEMENT  
DISCUSSION  
AND  
ANALYSIS

Management Discussion and Analysis  
June 30, 2005

---

Within this section of Oceola Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended June 30, 2005. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Governmental activities include such activities as general government, public safety, and planning and zoning departments. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

## ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has two kinds of funds:

*Governmental funds* are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

*Fiduciary funds* are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

## ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

## ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

## **Financial Analysis of the Township as a Whole**

The Township has implemented the new financial reporting model used in this report beginning with the prior fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Township as a whole.

The Township's net assets at the end of the fiscal year were \$8,900,250. This is a \$496,098 decrease over last year's net assets of \$9,396,348.

The following tables provide a summary of the Township's financial activities and changes in net assets:

### Summary of Net Assets

	Governmental Activities June 30, 2005
Current and other assets	\$ 25,627,171
Capital assets	2,667,573
Total assets	<u>28,294,744</u>
Other liabilities	39,146
Long-term liabilities	19,355,348
Total liabilities	<u>19,394,494</u>
Net assets:	
Invested in capital assets, net of related debt	2,667,573
Restricted	2,035,812
Unrestricted	4,196,865
Total net assets	<u>\$ 8,900,250</u>

## Summary of Changes in Net Assets

	Governmental Activities <u>June 30, 2005</u>
Revenues:	
Program revenues	
Charges for services	\$ 266,555
Capital grants and contributions	1,086,449
General revenues	
State shared revenues	564,539
Property taxes	645,922
Interest income	199,829
Interest on special assessments	810,659
Other revenues	92,718
<b>Total revenues</b>	<u>3,666,671</u>
Expenses	
General government	630,813
Public safety	6,011
Utility systems	1,953,268
Parks and recreation	63,345
Roads	740,152
Interest on long-term debt	769,180
<b>Total expenses</b>	<u>4,162,769</u>
Changes in net assets	(496,098)
Beginning net assets	<u>9,396,348</u>
Ending net assets	<u><u>\$ 8,900,250</u></u>

The overall financial status for the Township decreased primarily due to the construction of additional water and sewer infrastructure which is capitalized as assets on the related independent water and sewer Authorities' financial statements.

New debt was issued for the Eager Road water project in the amount of \$3,030,000. The debt is collateralized by special assessments and new user fees.

#### Financial Analysis of the Township's Funds

The Township has 5 major funds for the year ended June 30, 2005. These funds include:

- General Fund
- Building Improvement Fund
- Water #1 Debt Service Fund
- M-59/Latson Water and Sewer Debt Service Fund
- Water New User Fund

The General Fund added \$343,718 to its fund balance due to increases in overall general revenues. Expenditures remained approximately the same as the prior year.

The Building Improvement Fund decreased its cash and fund balance due to the purchase of land and transfers (out) to establish a new fund for recreation and cemetery.

The remaining major funds have significant activity in the current year because of the construction and financing activities related to the increased need for water and sewer system services.

#### General Fund Budgetary Highlights

The Township adopted its budget before the beginning of the fiscal year. No amendments were made during the year to change its original budget. Budget appropriations exceeded actual expenditures by \$152,073 for the year.

#### Capital Asset and Debt Administration

The Township paid \$1,140,328 of principal and \$769,180 of interest to repay various contracts and bonds payable. This debt is to finance various road and utility projects around the Township. Most debt is being repaid with amounts collected with special assessments levied.

The Township did purchase land during the year at a cost of \$2,044,424. The Board plans on using the land for recreation and (or) cemetery. The Township also made parking lot improvements costing \$79,964.

#### Economic Conditions and Future Activities

The Township expects large amounts of growth in the Township due to large developments currently under construction in the Township. The tax base and the need for utility services will grow significantly in the next fiscal year.

#### Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Oceola Township at 1577 North Latson, Howell, Michigan, 48843.

BASIC  
FINANCIAL STATEMENTS

GOVERNMENT - WIDE  
FINANCIAL STATEMENTS



OCEOLA TOWNSHIP  
STATEMENT OF NET ASSETS  
JUNE 30, 2005

	<u>Primary Government</u>
	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 11,796,411
Cash and cash equivalents – restricted	238,343
Receivables	
Taxes	100
State shared revenues	184,849
Accounts receivable – other	40,269
Special assessments – restricted	13,367,199
Capital assets	
Land	2,090,001
Buildings and improvements	766,436
Machinery and equipment	30,602
Less: accumulated depreciation	<u>(219,466)</u>
Total assets	<u>28,294,744</u>
<b>LIABILITIES</b>	
Accounts payable	26,423
Accrued liabilities	12,723
Bonds/contracts payable	
Current	1,270,961
Non-current	<u>18,084,387</u>
Total liabilities	<u>19,394,494</u>
<b>NET ASSETS</b>	
Investment in capital assets, net of related debt	2,667,573
Restricted for:	
Debt service	2,035,812
Unrestricted	<u>4,196,865</u>
Total net assets	<u>\$ 8,900,250</u>

The notes are an integral part of the financial statements.

OCEOLA TOWNSHIP  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2005

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Total</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions</u>	
GOVERNMENTAL ACTIVITIES				
General government	\$ (630,813)	\$ 175,962	\$	\$ (454,851)
Public safety	(6,011)		1,237	(4,774)
Parks and recreation	(63,345)			(63,345)
Roads	(740,152)			(740,152)
Utility systems	(1,953,268)	90,593	1,085,212	(777,463)
Interest/fees on long-term debt	(769,180)			(769,180)
Total governmental activities	<u>\$ (4,162,769)</u>	<u>\$ 266,555</u>	<u>\$ 1,086,449</u>	<u>(2,809,765)</u>
General Revenues:				
Property taxes				645,922
State shared revenues				564,539
Interest on cash and cash equivalents				199,829
Interest on special assessments				810,659
Cable franchise fees				55,646
Rental income				36,812
Other income				<u>260</u>
Total general revenues				<u>2,313,667</u>
Change in net assets				(496,098)
Net assets, July 1, 2004				<u>9,396,348</u>
Net assets, June 30, 2005				<u>\$ 8,900,250</u>

The notes are an integral part of the financial statements.

FUND  
FINANCIAL STATEMENTS

OCEOLA TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005

	General Fund	Building Improvement Fund	Water #1 Debt Service Fund	M-59/Latson Debt Service Fund	Water New User Fund
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 1,368,666	\$ 1,557,862	\$ 677,155	\$ 504,637	\$ 363,913
Cash and cash equivalents - restricted	238,343				
Receivables					
Special assessments	132,215		1,505,236	8,404,800	614,741
Taxes					
State shared revenues	184,849				
Accounts receivable - other	40,136				
Due from other funds	3,047				78,626
	<u>1,967,256</u>	<u>1,557,862</u>	<u>2,182,391</u>	<u>8,909,437</u>	<u>1,057,280</u>
Total assets	<u>\$ 1,967,256</u>	<u>\$ 1,557,862</u>	<u>\$ 2,182,391</u>	<u>\$ 8,909,437</u>	<u>\$ 1,057,280</u>
<u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Accounts payable	\$ 26,423	\$	\$	\$	\$
Accrued liabilities	12,723				
Due to other funds		950,677	7,082	663	
Deferred revenues			1,505,236	8,404,800	614,741
	<u>39,146</u>	<u>950,677</u>	<u>1,512,318</u>	<u>8,405,463</u>	<u>614,741</u>
Total liabilities	<u>39,146</u>	<u>950,677</u>	<u>1,512,318</u>	<u>8,405,463</u>	<u>614,741</u>
FUND BALANCES					
Unreserved	1,928,110	607,185			
Designated for recreation/cemetery					
Reserved for road projects					
Reserved for debt service			670,073	503,974	
Reserved for utilities system					442,539
	<u>1,928,110</u>	<u>607,185</u>	<u>670,073</u>	<u>503,974</u>	<u>442,539</u>
Total fund balances	<u>1,928,110</u>	<u>607,185</u>	<u>670,073</u>	<u>503,974</u>	<u>442,539</u>
Total liabilities and fund balances	<u>\$ 1,967,256</u>	<u>\$ 1,557,862</u>	<u>\$ 2,182,391</u>	<u>\$ 8,909,437</u>	<u>\$ 1,057,280</u>

The notes are an integral part of the financial statements.

Other Non-major Funds	Total
\$ 7,324,178	\$ 11,796,411
	238,343
2,710,207	13,367,199
100	100
	184,849
	40,136
<u>953,444</u>	<u>1,035,117</u>
<u>\$ 10,987,929</u>	<u>\$ 26,662,155</u>

\$	\$ 26,423
	12,723
76,562	1,034,984
<u>2,687,666</u>	<u>13,212,443</u>
<u>2,764,228</u>	<u>14,286,573</u>

1,529,788	4,065,083
956,475	956,475
78,321	78,321
861,765	2,035,812
<u>4,797,352</u>	<u>5,239,891</u>
<u>8,223,701</u>	<u>12,375,582</u>
<u>\$ 10,987,929</u>	<u>\$ 26,662,155</u>

OCEOLA TOWNSHIP  
RECONCILIATION OF STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
JUNE 30, 2005

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance per balance sheet		\$12,375,582
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Historical cost	\$ 2,887,039	
Depreciation	<u>(219,466)</u>	
Capital assets net of depreciation		2,667,573
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds/contracts payable		(19,355,348)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>13,212,443</u>
Net assets of governmental activities		<u>\$ 8,900,250</u>

The notes are an integral part of the financial statements.

OCEOLA TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	Building Improvement Fund	Water #1 Debt Service Fund	M-59/Latson Debt Service Fund	Water New User Fund
<u>REVENUES</u>					
REVENUES					
Taxes	\$ 266,262	\$	\$ 306,667	\$ 987,732	\$ 123,821
Special assessments	73,800				
State shared revenues	564,539				
Licenses and permits	25,021				
Connection fees					486,000
Rental income	1,785	23,652			
Franchise fees		55,646			
Charges for services	153,729				
Interest	35,559	34,729	11,552	7,428	7,434
Miscellaneous	150				
Total revenues	<u>1,120,845</u>	<u>114,027</u>	<u>318,219</u>	<u>995,160</u>	<u>617,255</u>
EXPENDITURES					
General government	609,810	2,128,169			
Public safety					
Parks and recreation	63,345				
Public works	103,972				1,818,017
Debt service			297,204	746,325	
Total expenditures	<u>777,127</u>	<u>2,128,169</u>	<u>297,204</u>	<u>746,325</u>	<u>1,818,017</u>
Excess of revenues over (under) expenditures	<u>343,718</u>	<u>(2,014,142)</u>	<u>21,015</u>	<u>248,835</u>	<u>(1,200,762)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds					
Transfers in					1,079,019
Transfers (out)		(949,449)		(158,037)	
Total other financing sources (uses)		<u>(949,449)</u>		<u>(158,037)</u>	<u>1,079,019</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	343,718	(2,963,591)	21,015	90,798	(121,743)
FUND BALANCE, JULY 1, 2004	<u>1,584,392</u>	<u>3,570,776</u>	<u>649,058</u>	<u>413,176</u>	<u>564,282</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,928,110</u>	<u>\$ 607,185</u>	<u>\$ 670,073</u>	<u>\$ 503,974</u>	<u>\$ 442,539</u>

The notes are an integral part of the financial statements.

<u>Non-major Funds</u>	<u>Total</u>
\$ 379,660	\$ 645,922
599,018	2,091,038
1,237	565,776
	25,021
462,000	948,000
11,375	36,812
	55,646
87,805	241,534
103,127	199,829
<u>110</u>	<u>260</u>
<u>1,644,332</u>	<u>4,809,838</u>
	2,737,979
946	946
	63,345
771,431	2,693,420
<u>865,979</u>	<u>1,909,508</u>
<u>1,638,356</u>	<u>7,405,198</u>
<u>5,976</u>	<u>(2,595,360)</u>
3,030,000	3,030,000
1,102,605	2,181,624
<u>(1,074,138)</u>	<u>(2,181,624)</u>
<u>3,058,467</u>	<u>3,030,000</u>
3,064,443	434,640
<u>5,159,258</u>	<u>11,940,942</u>
<u>\$ 8,223,701</u>	<u>\$ 12,375,582</u>



OCEOLA TOWNSHIP  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2005

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 434,640
--	------------

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 2,124,388
Depreciation expense	<u>(22,287)</u>
Net	2,102,101

Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets

Repayment of:	
Bonds payable	580,000
Contracts payable	<u>560,328</u>
Total	1,140,328

Proceeds from long-term debt provide current financial resources to governmental funds, but the issuing of debt increase long-term liabilities in the Statement of Net Assets	(3,030,000)
---	-------------

Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.	
Principal collected on assessments	<u>(1,143,167)</u>

Change in net assets of governmental activities	<u><u>\$ (496,098)</u></u>
---	----------------------------

The notes are an integral part of the financial statements.

OCEOLA TOWNSHIP  
STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
JUNE 30, 2005

	<u>AGENCY FUNDS</u>		
	<u>Trust and Agency Fund</u>	<u>Current Tax Fund</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 92,588	\$ 106	\$ 92,694
Due from others	<u>601</u>	<u></u>	<u>601</u>
Total	<u>\$ 93,189</u>	<u>\$ 106</u>	<u>\$ 93,295</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Due to other funds	\$ 27	\$	\$ 27
Due to others	<u>93,162</u>	<u>106</u>	<u>93,268</u>
Total liabilities	<u>\$ 93,189</u>	<u>\$ 106</u>	<u>\$ 93,295</u>

The notes are an integral part of the financial statements.

NOTES  
TO  
FINANCIAL  
STATEMENTS

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Oceola Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

**A. BASIC FINANCIAL STATEMENTS**

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expense between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Building Improvement Fund accounts for the activities related to the capital acquisitions of the Township. This activity was funded primarily through the sale of land previously held by the Township.

The Water #1 Debt Service Fund accounts for the special assessments levied and related debt associated with the Township's participation in local water authorities.

The M59/Latson Water and Sewer Debt Service Fund accounts for the special assessments levied and related debt associated with the utilities system constructed for these residents.

The Water New User Fund accounts for the connection fees associated with funding the Township's participation in local water authorities.

**B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The governmental fund financial statements are prepared on a modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

C. BUDGETARY DATA

The Township approves budgets for the general and special revenue funds. Amendments made during the fiscal year are reflected in the budget column of the appropriate financial statement. The budgets are prepared on a modified accrual basis

For year ended June 30, 2005, expenditures exceeded appropriations in several functional activities.

D. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the Township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2004 levy was assessed at an adjusted taxable value of \$ 365,889,223. Taxes are due and payable by February 28. Delinquent real property taxes are returned to the County Treasurer for collection.

The Township levies the following millage:

General Township operations	.7250
Roads	<u>1.0377</u>
Total millage	<u><u>1.7627</u></u>

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

E. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years

Any capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

F. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Ocala Township as the primary government have been included in the financial statements.

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 3 - INTERFUND BALANCES**

All interfund balances are short-term in character. Interfund transfers will be collected during the next reporting period. These amounts are reported as current assets in the governmental balance sheets. The amounts of interfund receivables and payables are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 3,047	\$
Water New User Fund	78,626	
Thompson Lake Debt Service Fund	2,250	73,131
Liquor Law Enforcement Fund		646
Trust and Agency Fund		27
Current Tax Fund		106
Recreation/Cemetery Fund	949,449	
Water #1 Debt Service Fund		7,082
M59/Latson Water and Sewer Fund		663
Road Millage Fund		2,785
Road Maintenance Fund	1,745	
Building Improvement Fund	<u>          </u>	<u>950,677</u>
Total	<u>\$ 1,035,117</u>	<u>\$ 1,035,117</u>

**NOTE 4 - DEFINED CONTRIBUTION PENSION PLAN**

The Township has two deferred compensation plans that employees may participate in.

The first plan is a Burnham & Flower Pension Plan, Group No. GM-11120-3, for Michigan township employees. All elected/appointed officials and employees averaging 20 or more hours a week are eligible for participation in this single-employer plan. Participating employees are required to contribute 7.5% of compensation on a pre-tax basis, which the Township is required to match. Employees may also voluntarily contribute up to 10% of after-tax compensation. The Township's payroll for employees covered by the plan for the year ended June 30, 2005 was \$ 313,483, the Township's total payroll was \$ 319,039.

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS \$ 21,390

All Township employees are also eligible to participate in a deferred compensation plan with ING group. Participating employees may elect to contribute up to \$ 14,000 of compensation on a pre-tax basis. The Township does not match employee contributions made into this plan.



OCEOLA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - RECONCILIATION OF FUND FINANCIAL STATEMENTS  
TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance per balance sheet	\$ 12,375,582
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Historical cost	\$ 2,887,039
Depreciation	<u>(219,466)</u>
Capital assets net of depreciation	2,667,573
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:	
Bonds/contracts payable	(19,355,348)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.	<u>13,212,443</u>
Net assets of governmental activities	<u>\$ 8,900,250</u>

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds \$ 434,640

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 2,124,388
Depreciation expense	<u>(22,287)</u>
Net	2,102,101

Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets

Repayment of:	
Bonds payable	580,000
Contracts payable	<u>560,328</u>

Total 1,140,328

Proceeds from long-term debt provide current financial resources to governmental funds, but the issuing of debt increase long-term liabilities in the Statement of Net Assets (3,030,000)

Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.

Principal collected on assessments (1,143,167)

Change in net assets of governmental activities \$ (496,098)



OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2005 was as follows:

	Balance 7/1/04	Additions	Deletions	Balance 6/30/05
Land	\$ 45,577	\$ 2,044,424	\$	\$ 2,090,001
Buildings and improvements	686,472	79,964		766,436
Machinery and equipment	<u>30,602</u>			<u>30,602</u>
Total capital assets	762,651	2,124,388		2,887,039
Accumulated depreciation	<u>(197,179)</u>	<u>(22,287)</u>		<u>(219,466)</u>
Governmental activities capital asset, net	<u>\$ 565,472</u>	<u>\$ 2,102,101</u>	<u>\$</u>	<u>\$ 2,667,573</u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. No debt is associated with these capital assets.

Depreciation expense was allocated to the following activities:

General government	\$ 17,222
Fire protection	<u>5,065</u>
Total	<u>\$ 22,287</u>

OCEOLA TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in long term debt for the year.

1. Loan payable to Livingston County, Sanitary Sewer Drain No. 1, Drainage District Refunding Bonds, Series 1998, principal payable in annual installments of \$78,644 starting May 1, 2001, interest is charged at 4.2% to 4.25%, payable semi-annually.
2. Loan payable to Livingston County, dated June 27, 1991, to finance 36.75% of the construction costs of the Genoa-Oceola Sanitary Sewer Drain - Service Area #2. Payable in annual principal installments ranging from \$124,950 graduating to \$161,700 through 2011, plus interest at 2% per annum.
3. Loan payable to Livingston County, dated October 13, 1994, to finance construction costs of the Oceola Township Water Improvement Special Assessment District. Payable in annual principal installments ranging from \$80,000 graduating to \$160,000, plus interest in semi-annual installments through 2014 ranging from 4.5% to 7.0% per annum.
4. Loan payable to Livingston County, dated August 12, 1994, to finance construction costs of the Oceola Township Sanitary Sewer Drain - Service area #1A. Payable in annual principal installments ranging from \$20,000 graduating to \$65,000 through 2014, plus interest in semi-annual installments from 7.25% decreasing to 6.5% per annum.
5. Special assessment bonds payable, dated June 1, 1996, to finance construction costs of certain water service districts (Thompson Lake district). Payable in annual principal installments ranging from \$20,000 graduating to \$30,000 through 2015, plus interest in semi-annual installments from 7% decreasing to 6% per annum.
6. Loan payable to Livingston County, dated August 15, 1996, to finance 20.8% of the construction costs of a water treatment plant and other water system improvements. Payable in annual principal installments ranging from \$27,778 graduating to \$40,109 through 2016, plus interest in semi-annual installments ranging from 8.0% decreasing to 5.25% per annum.
7. Loan payable to Livingston County, dated August 15, 1996, to finance 25% of the construction costs of a water treatment plant. Payable in annual principal installments ranging from \$22,222 to \$53,472 through 2016 plus interest in semi-annual installments ranging from 5.2% increasing to 5.375% per annum.
8. Oakcrest Special Assessment Bonds Payable for road paving, Series 1997. Payable in annual principal installments ranging from \$35,000 to \$40,000 through 2007, plus interest in semi-annual installments at 4.85% per annum.
9. Golf Club Special Assessment Bonds Payable, dated April 1, 1999, to finance construction costs of certain water service districts. Payable in annual principal installments of \$30,000 through 2019, interest is charged at 4.0% graduating to 5% in 2002. Interest payments are paid semi-annually.
10. Pineridge Special Assessment Bonds Payable, dated November 14, 2001 to finance road construction. Payable in annual installments of \$50,000 to \$70,000, through May 1, 2016. Interest is charged at 4.25% graduating to 4.75% paid semi-annually.
11. Contract payable to Genoa-Oceola SWATH - Sewer plant expansion; contract with Genoa-Oceola SWATH, (paid from new user funds); principal is payable in annual installments of \$128,696 to \$320,000; interest at 4% to 4.8%; maturity date is June 1, 2021.
12. M-59/Latson Special Assessment Bonds Payable, dated October 22, 2002 to finance water and sewer construction. Payable in annual installments of \$425,000 to \$450,000, through May 1, 2022. Interest is charged at 3.00% graduating to 5.00% paid semi-annually.
13. Eager Road Special Assessment Bonds Payable, dated February 1, 2005 to finance water system construction. Payable in annual installments of \$125,000 to \$155,000, through October 1, 2025. Interest is charged at 3.00% graduating to 4.30% paid semi-annually.

Total long-term debt

<u>Balance 7/01/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/05</u>
\$ 396,208	\$	\$ 78,645	\$ 317,563
1,067,587		143,325	924,262
1,380,000		120,000	1,260,000
450,000		35,000	415,000
260,000		20,000	240,000
430,555		18,518	412,037
510,417		22,222	488,195
115,000		40,000	75,000
450,000		30,000	420,000
795,000		65,000	730,000
3,735,909		142,618	3,593,291
7,875,000		425,000	7,450,000
	<u>3,030,000</u>		<u>3,030,000</u>
<u>\$ 17,465,676</u>	<u>\$ 3,030,000</u>	<u>\$ 1,140,328</u>	<u>\$ 19,355,348</u>

OCEOLA TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 7 - LONG-TERM DEBT - (continued)**

The annual principal requirements to amortize all debt outstanding as of June 30, 2005 are as follows:

2006	\$ 1,270,961
2007	1,353,089
2008	1,338,449
2009	1,362,067
2010	1,302,710
2011 - 2015	6,051,220
2016 - 2020	4,681,831
2021 - 2025	<u>1,995,021</u>
Total	<u>\$ 19,355,348</u>

**NOTE 8 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

<u>Deposits</u>	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Insured	\$ 500,000	\$	\$ 500,000	500,000
Uninsured and uncollateralized	<u>11,534,754</u>	<u>92,694</u>	<u>11,627,448</u>	<u>12,144,672</u>
Total deposits	<u>\$ 12,034,754</u>	<u>\$ 92,694</u>	<u>\$ 12,127,448</u>	<u>\$ 12,644,672</u>

**NOTE 9 - CONTINGENT LIABILITIES**

The Township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Township.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Property taxes	\$	\$	\$ 266,262	\$
Tax administration fees			116,340	
Dog licenses			701	
Land use and other permits			24,320	
State shared revenues			564,539	
Board of appeals fees			700	
Site plan reviews			11,700	
Zoning fees			2,400	
P.U.D. fees			17,525	
Copy/map charges			2,276	
Special assessments			73,800	
Cemetery lot sales			1,605	
Interest			35,559	
Hall rental fees			1,785	
Trash day			1,183	
Other revenue			150	
Total revenues	941,200	941,200	1,120,845	179,645
EXPENDITURES	<u>929,200</u>	<u>929,200</u>	<u>777,127</u>	<u>152,073</u>
Excess of revenues over (under) expenditures	12,000	12,000	343,718	331,718
FUND BALANCE, JULY 1, 2004	<u>1,584,392</u>	<u>1,584,392</u>	<u>1,584,392</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,596,392</u>	<u>\$ 1,596,392</u>	<u>\$ 1,928,110</u>	<u>\$ 331,718</u>



OCEOLA TOWNSHIP  
BUILDING IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Cable fees	\$	\$	\$ 55,646	\$
Lease			23,652	
Interest			34,729	
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>114,027</u>	<u>44,027</u>
EXPENDITURES				
Audit fees			300	
Maintenance/construction			81,518	
Land purchase			2,041,525	
Land improvement			1,926	
Survey costs			2,900	
Total expenses	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,128,169</u>	<u>71,831</u>
Excess of revenues over (under) expenditures			(2,014,142)	115,858
OTHER FINANCING (USES)				
Transfers (out)			(949,449)	(949,449)
Excess of revenues over (under) expenditures and other financing (uses)	(2,130,000)	(2,130,000)	(2,963,591)	(833,591)
FUND BALANCE, JULY 1, 2004	<u>3,570,776</u>	<u>3,570,776</u>	<u>3,570,776</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,440,776</u>	<u>\$ 1,440,776</u>	<u>\$ 607,185</u>	<u>\$ (833,591)</u>

SUPPLEMENTARY  
INFORMATION

COMBINING  
FINANCIAL  
STATEMENTS

OCEOLA TOWNSHIP  
ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2005

	<u>Road Maintenance Fund</u>	<u>Road Millage Fund</u>	<u>Liquor Law Enforcement Fund</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 60,402	\$ 1,469,592	\$ 1,380
Accounts receivable		100	
Due from other funds	<u>1,745</u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 62,147</u>	<u>\$ 1,469,692</u>	<u>\$ 1,380</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Due to other funds	\$	\$ 2,785	\$ 646
FUND BALANCE			
Fund balance	<u>62,147</u>	<u>1,466,907</u>	<u>734</u>
Total liabilities and fund balance	<u>\$ 62,147</u>	<u>\$ 1,469,692</u>	<u>\$ 1,380</u>

<u>Recreation/ Cemetery Fund</u>	<u>Building Improvement Fund</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Total</u>
\$	\$ 1,557,862	\$ 7,026	\$ 3,096,262
<u>949,449</u>	<u>                    </u>	<u>                    </u>	<u>100</u>
			<u>951,194</u>
<u>\$ 949,449</u>	<u>\$ 1,557,862</u>	<u>\$ 7,026</u>	<u>\$ 4,047,556</u>

\$	\$ 950,677	\$	\$ 954,108
<u>949,449</u>	<u>607,185</u>	<u>7,026</u>	<u>3,093,448</u>
<u>\$ 949,449</u>	<u>\$ 1,557,862</u>	<u>\$ 7,026</u>	<u>\$ 4,047,556</u>

OCEOLA TOWNSHIP  
ALL DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2005

	<u>Eager/Latson Water Debt Service Fund</u>	<u>Sewer Debt Service #1 Fund</u>	<u>Sewer Debt Service #2 Fund</u>	<u>Sewer Debt Service #1A Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 74,920	\$ 90,106	\$ 235,910	\$ 236,502
Special assessment receivable		247,337	700,049	267,043
Due from other funds				
Total assets	<u>\$ 74,920</u>	<u>\$ 337,443</u>	<u>\$ 935,959</u>	<u>\$ 503,545</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Deferred revenue	\$	\$ 247,337	\$ 700,049	\$ 267,043
Due to other funds				
Total liabilities		247,337	700,049	267,043
FUND BALANCE				
Fund balance	<u>74,920</u>	<u>90,106</u>	<u>235,910</u>	<u>236,502</u>
Total liabilities and fund balance	<u>\$ 74,920</u>	<u>\$ 337,443</u>	<u>\$ 935,959</u>	<u>\$ 503,545</u>

<u>Water Debt Service #1 Fund</u>	<u>Thompson Lake Debt Service Fund</u>	<u>Oakcrest Debt Service Fund</u>	<u>Golf Club Debt Service Fund</u>	<u>Pineridge Road Debt Service Fund</u>	<u>M-59/Latson Water and Sewer Debt Service Fund</u>	<u>Total</u>
\$ 677,155 1,505,236 <u>          </u>	\$ 116,850 209,250 2,250 <u>          </u>	\$ 51,894 89,591 <u>          </u>	\$ 66,730 421,215 <u>          </u>	\$ 37,193 715,000 <u>          </u>	\$ 504,637 8,404,800 <u>          </u>	\$ 2,091,897 12,559,521 2,250 <u>          </u>
<u>\$ 2,182,391</u>	<u>\$ 328,350</u>	<u>\$ 141,485</u>	<u>\$ 487,945</u>	<u>\$ 752,193</u>	<u>\$ 8,909,437</u>	<u>\$ 14,653,668</u>
\$ 1,505,236 7,082 <u>          </u>	\$ 209,250 73,131 <u>          </u>	\$ 67,050 <u>          </u>	\$ 421,215 <u>          </u>	\$ 715,000 <u>          </u>	\$ 8,404,800 663 <u>          </u>	\$ 12,536,980 80,876 <u>          </u>
1,512,318	282,381	67,050	421,215	715,000	8,405,463	12,617,856
<u>670,073</u>	<u>45,969</u>	<u>74,435</u>	<u>66,730</u>	<u>37,193</u>	<u>503,974</u>	<u>2,035,812</u>
<u>\$ 2,182,391</u>	<u>\$ 328,350</u>	<u>\$ 141,485</u>	<u>\$ 487,945</u>	<u>\$ 752,193</u>	<u>\$ 8,909,437</u>	<u>\$ 14,653,668</u>

OCEOLA TOWNSHIP  
ALL CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2005

	Eager/Latson Water <u>Construction</u>	Eager Road <u>Construction</u>	Sewer New User <u>Fund</u>	Water New User <u>Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 1,970,360	\$ 78,321	\$ 2,390,171	\$ 363,913
Contracts receivable - residents			60,722	614,741
Due from other funds				78,626
Total assets	<u>\$ 1,970,360</u>	<u>\$ 78,321</u>	<u>\$ 2,450,893</u>	<u>\$ 1,057,280</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Deferred revenue	\$	\$	\$ 60,722	\$ 614,741
FUND BALANCE				
Fund balance	<u>1,970,360</u>	<u>78,321</u>	<u>2,390,171</u>	<u>442,539</u>
Total liabilities and fund balance	<u>\$ 1,970,360</u>	<u>\$ 78,321</u>	<u>\$ 2,450,893</u>	<u>\$ 1,057,280</u>



M-59/Latson Water and Sewer Construction Fund	Total
\$ 436,821	\$ 5,239,586
	675,463
	<u>78,626</u>
<u>\$ 436,821</u>	<u>\$ 5,993,675</u>

\$	\$ 675,463
<u>436,821</u>	<u>5,318,212</u>
<u>\$ 436,821</u>	<u>\$ 5,993,675</u>

OCEOLA TOWNSHIP  
ALL FIDUCIARY FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2005

	<u>AGENCY FUNDS</u>		
	<u>Trust and Agency Fund</u>	<u>Current Tax Fund</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 92,588	\$ 106	\$ 92,694
Due from others	<u>601</u>	<u></u>	<u>601</u>
Total	<u>\$ 93,189</u>	<u>\$ 106</u>	<u>\$ 93,295</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Due to other funds	\$ 27	\$ 106	\$ 133
Due to others	<u>93,162</u>	<u></u>	<u>93,162</u>
Total liabilities	<u>\$ 93,189</u>	<u>\$ 106</u>	<u>\$ 93,295</u>

OCEOLA TOWNSHIP  
ALL SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2005

	Road Maintenance Fund	Road Millage Fund	Liquor Law Enforcement Fund
REVENUES			
Franchise and lease fees	\$	\$	\$
Taxes and assessments	53,833	379,660	
State shared revenue			1,237
Miscellaneous		110	
Interest	<u>83</u>	<u>22,527</u>	<u>37</u>
Total revenues	<u>53,916</u>	<u>402,297</u>	<u>1,274</u>
EXPENDITURES			
Maintenance and construction	38,155	281,440	
Public safety			646
Miscellaneous fees			300
Land purchase		<u>534</u>	
Total expenditures	<u>38,155</u>	<u>281,974</u>	<u>946</u>
Excess of revenues over (under) expenditures	<u>15,761</u>	<u>120,323</u>	<u>328</u>
OTHER FINANCING SOURCES (USES)			
Transfer in			
Transfer (out)			
Total other financing sources (uses)			
Excess of revenues over (under) expenditures and other financing (uses)	15,761	120,323	328
FUND BALANCE, JULY 1, 2004	<u>46,386</u>	<u>1,346,584</u>	<u>406</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 62,147</u>	<u>\$ 1,466,907</u>	<u>\$ 734</u>

<u>Recreation/ Cemetery Fund</u>	<u>Building Improvement Fund</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Total</u>
\$	\$ 79,298	\$	\$ 79,298
			433,493
			1,237
			110
<u>                    </u>	<u>34,729</u>	<u>125</u>	<u>57,501</u>
<u>                    </u>	<u>114,027</u>	<u>125</u>	<u>571,639</u>
	81,518		401,113
			646
	300		1,134
<u>                    </u>	<u>2,046,351</u>	<u>                    </u>	<u>2,046,351</u>
<u>                    </u>	<u>2,128,169</u>	<u>                    </u>	<u>2,449,244</u>
<u>                    </u>	<u>(2,014,142)</u>	<u>125</u>	<u>(1,877,605)</u>
949,449			949,449
<u>                    </u>	<u>(949,449)</u>	<u>                    </u>	<u>(949,449)</u>
<u>949,449</u>	<u>(949,449)</u>	<u>                    </u>	<u>                    </u>
949,449	(2,963,591)	125	(1,877,605)
<u>                    </u>	<u>3,570,776</u>	<u>6,901</u>	<u>4,971,053</u>
<u>\$ 949,449</u>	<u>\$ 607,185</u>	<u>\$ 7,026</u>	<u>\$ 3,093,448</u>

OCEOLA TOWNSHIP  
ALL DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2005

	Eager/Latson Water Debt Service Fund	Sewer Debt Service #1 Fund	Sewer Debt Service #2 Fund	Sewer Debt Service #1A Fund
REVENUES				
Special assessments	\$	\$ 63,929	\$ 121,110	\$ 38,457
Interest	<u>782</u>	<u>33,455</u>	<u>21,596</u>	<u>26,568</u>
Total revenues	<u>782</u>	<u>97,384</u>	<u>142,706</u>	<u>65,025</u>
EXPENDITURES				
Debt service				
Principal		78,645	143,325	35,000
Interest		16,838	21,352	26,993
Agent fees		60		
Miscellaneous	<u></u>	<u>250</u>	<u>250</u>	<u>650</u>
Total expenditures	<u></u>	<u>95,793</u>	<u>164,927</u>	<u>62,643</u>
Excess of revenues over (under) expenditures	782	1,591	(22,221)	2,382
OTHER FINANCING SOURCES (USES)				
Transfer in	74,138			
Transfer (out)	<u></u>	<u></u>	<u></u>	<u></u>
Total other financing sources (uses)	<u>74,138</u>	<u></u>	<u></u>	<u></u>
Excess of revenues over (under) expenditures and other financing sources (uses)	74,920	1,591	(22,221)	2,382
FUND BALANCE, JULY 1, 2004	<u></u>	<u>88,515</u>	<u>258,131</u>	<u>234,120</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 74,920</u>	<u>\$ 90,106</u>	<u>\$ 235,910</u>	<u>\$ 236,502</u>

Water Debt Service #1 Fund	Thompson Lake Debt Service Fund	Oakcrest Debt Service Fund	Golf Club Debt Service Fund	Pineridge Road Debt Service Fund	M-59/Latson Water and Sewer Debt Service Fund	Total
\$ 201,907 <u>116,312</u>	\$ 23,400 <u>16,047</u>	\$ 34,425 <u>8,367</u>	\$ 30,087 <u>23,533</u>	\$ 65,000 <u>39,472</u>	\$ 517,453 <u>477,707</u>	\$ 1,095,768 <u>763,839</u>
<u>318,219</u>	<u>39,447</u>	<u>42,792</u>	<u>53,620</u>	<u>104,472</u>	<u>995,160</u>	<u>1,859,607</u>
160,740	20,000	40,000	30,000	65,000	425,000	997,710
135,658	15,352	5,752	22,500	35,213	320,800	600,458
806				525		1,391
<u>425</u>	<u>600</u>	<u>525</u>	<u>525</u>	<u>525</u>	<u>525</u>	<u>3,225</u>
<u>297,204</u>	<u>35,777</u>	<u>46,352</u>	<u>53,025</u>	<u>100,738</u>	<u>746,325</u>	<u>1,602,784</u>
21,015	3,670	(3,560)	595	3,734	248,835	256,823
						74,138
					(158,037)	(158,037)
					(158,037)	(83,899)
21,015	3,670	(3,560)	595	3,734	90,798	172,924
<u>649,058</u>	<u>42,299</u>	<u>77,995</u>	<u>66,135</u>	<u>33,459</u>	<u>413,176</u>	<u>1,862,888</u>
<u>\$ 670,073</u>	<u>\$ 45,969</u>	<u>\$ 74,435</u>	<u>\$ 66,730</u>	<u>\$ 37,193</u>	<u>\$ 503,974</u>	<u>\$ 2,035,812</u>

OCEOLA TOWNSHIP  
ALL CAPITAL PROJECT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2005

	Eager/Latson Water Construction Fund	Eager Road Construction	Pineridge Road Construction Fund	Sewer New User Fund
REVENUES				
Special assessments	\$	\$	\$	\$ 10,621
Connection fees				462,000
Interest	26,574			32,879
Rent		2,784	135	11,375
Refunds/reimbursements	<u>87,805</u>	<u></u>	<u></u>	<u></u>
Total revenues	<u>114,379</u>	<u>2,784</u>	<u>135</u>	<u>516,875</u>
EXPENDITURES				
Debt service				306,724
Construction	94,651	202,044	41,114	31,380
Audit fees			250	2,925
Miscellaneous	<u>5,230</u>	<u></u>	<u></u>	<u>6,000</u>
Total expenditures	<u>99,881</u>	<u>202,044</u>	<u>41,364</u>	<u>347,029</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	14,498	(199,260)	(41,229)	169,846
OTHER FINANCING SOURCES (USES)				
Bond proceeds	3,030,000			
Transfer in				79,018
Transfer (out)	<u>(1,074,138)</u>	<u></u>	<u></u>	<u></u>
Total other financing sources	<u>1,955,862</u>	<u></u>	<u></u>	<u>79,018</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	1,970,360	(199,260)	(41,229)	248,864
FUND BALANCE, JULY 1, 2004	<u></u>	<u>277,581</u>	<u>41,229</u>	<u>2,141,307</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,970,360</u>	<u>\$ 78,321</u>	<u>\$</u>	<u>\$ 2,390,171</u>

Water New User Fund	M-59/Latson Water and Sewer Construction Fund	Total
\$ 37,560	\$	\$ 48,181
486,000		948,000
93,695		162,251
	6,319	11,510
		87,805
<u>617,255</u>	<u>6,319</u>	<u>1,257,747</u>
		306,724
1,809,092	67,208	2,245,489
2,925	500	6,600
<u>6,000</u>		<u>17,230</u>
<u>1,818,017</u>	<u>67,708</u>	<u>2,576,043</u>
(1,200,762)	(61,389)	(1,318,296)
		3,030,000
1,079,019		1,158,037
		<u>(1,074,138)</u>
<u>1,079,019</u>		<u>3,113,899</u>
(121,743)	(61,389)	1,795,603
<u>564,282</u>	<u>498,210</u>	<u>3,522,609</u>
<u>\$ 442,539</u>	<u>\$ 436,821</u>	<u>\$ 5,318,212</u>



INDIVIDUAL  
FUNDS

GENERAL  
FUND

OCEOLA TOWNSHIP  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,368,666
Due from State of Michigan	184,849
Due from other funds	3,047
Due from others	<u>40,136</u>

Total unrestricted assets \$ 1,596,698

RESTRICTED ASSETS

Cash and cash equivalents - John Doe	238,343
Special assessments receivable	<u>132,215</u>

Total restricted assets 370,558

Total assets \$ 1,967,256

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 26,423
Accrued liabilities	<u>12,723</u>

Total liabilities \$ 39,146

FUND BALANCE

Fund balance - reserved	370,558
Fund balance - unreserved	<u>1,557,552</u>

Total fund balance 1,928,110

Total liabilities and fund balance \$ 1,967,256

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$	\$ 266,262	\$
Tax administration fees		116,340	
Dog licenses		701	
Land use and other permits		24,320	
State shared revenues		564,539	
Board of appeals fees		700	
Site plan reviews		11,700	
Zoning fees		2,400	
P.U.D. fees		17,525	
Copy/map charges		2,276	
Special assessments		73,800	
Cemetery lot sales		1,605	
Interest		35,559	
Hall rental fees		1,785	
Trash day		1,183	
Other revenue		150	
	<u>941,200</u>	<u>1,120,845</u>	<u>179,645</u>
Total revenues			
EXPENDITURES	<u>929,200</u>	<u>777,127</u>	<u>152,073</u>
Excess of revenues over (under) expenditures	12,000	343,718	331,718
FUND BALANCE, JULY 1, 2004	<u>1,584,392</u>	<u>1,584,392</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,596,392</u>	<u>\$ 1,928,110</u>	<u>\$ 331,718</u>

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>BOARD OF TRUSTEES</b>			
Salaries	\$	\$ 23,599	\$
Fringe benefits		6,353	
Miscellaneous		258	
Mileage	<u>          </u>	<u>91</u>	<u>          </u>
Total board of trustees	<u>27,400</u>	<u>30,301</u>	<u>(2,901)</u>
<b>SUPERVISOR</b>			
Salary		32,025	
Fringe benefits		7,917	
Mileage		229	
Administrative	<u>          </u>	<u>50</u>	<u>          </u>
Total supervisor	<u>40,225</u>	<u>40,221</u>	<u>4</u>
<b>ELECTION</b>			
Salaries		14,744	
Supplies		6,123	
Printing and publishing	<u>          </u>	<u>365</u>	<u>          </u>
Total election	<u>25,000</u>	<u>21,232</u>	<u>3,768</u>
<b>ASSESSOR</b>			
Contract services		37,564	
Assessor - fringe		7,410	
Assessing clerk salary		16,108	
Supplies		265	
Tax roll		5,242	
Mileage		49	
Publishing		233	
Administrative	<u>          </u>	<u>4,196</u>	<u>          </u>
Total assessor	<u>69,200</u>	<u>71,067</u>	<u>(1,867)</u>
<b>CLERK</b>			
Salary		32,025	
Fringe benefits		8,569	
Deputy salary		24,674	
Deputy fringe		4,936	
Recording secretary		3,642	
Mileage	<u>          </u>	<u>754</u>	<u>          </u>
Total clerk	<u>74,525</u>	<u>74,600</u>	<u>(75)</u>

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
BOARD OF REVIEW			
Salaries		1,365	
Publishing		<u>252</u>	
Total board of review	<u>1,950</u>	<u>1,617</u>	<u>333</u>
TREASURER			
Salary		32,025	
Fringe benefits		8,083	
Deputy/assistant salaries		32,396	
Supplies		265	
Deputy fringe		7,292	
Mileage		591	
Administrative		<u>525</u>	
Total treasurer	<u>82,325</u>	<u>81,177</u>	<u>1,148</u>
BUILDING AND GROUNDS			
Salary - maintenance		4,605	
Receptionist		8,104	
Fringe benefits		5,759	
Supplies		14,165	
Telephone		4,126	
Electricity		5,891	
Heat		4,467	
Publishing		243	
Maintenance - hall		5,492	
Rubbish disposal		989	
Grounds maintenance		6,237	
Equipment maintenance		<u>2,673</u>	
Total building and grounds	<u>51,000</u>	<u>62,751</u>	<u>(11,751)</u>

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
GENERAL (UNALLOCATED)			
Cemetery wages		455	
Clerical wages		156	
Payroll taxes		24,256	
Pension		23,905	
Supplies		1,022	
Attorney fees		15,360	
Audit fees		5,350	
Dues and subscriptions		5,722	
Administrative fees		12,249	
Printing and publishing		6,534	
Insurance and bonds		18,701	
Cemetery maintenance		18,716	
Office machine maintenance		3,215	
Miscellaneous		1,215	
Lease - vehicle		2,555	
Capital outlay		2,338	
	<u>          </u>	<u>          </u>	<u>          </u>
Total general (unallocated)	<u>186,200</u>	<u>141,749</u>	<u>44,451</u>
PLANNING AND ZONING			
Planning salaries		8,159	
P.U.D. commissions		4,523	
Planning clerical salaries		2,418	
Planning supplies		34	
Planning consultants		48,696	
Administration fees		1,715	
Planning printing		2,444	
Zoning mileage		57	
Zoning salaries		10,948	
Fringe benefits		3,956	
Board of appeals salaries		1,757	
Board of appeals publishing		388	
	<u>          </u>	<u>          </u>	<u>          </u>
Total planning and zoning	<u>84,600</u>	<u>85,095</u>	<u>(495)</u>

OCEOLA TOWNSHIP  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
PUBLIC WORKS			
Trash clean up		8,789	
Drains		121	
Street lights		4,321	
Water study		14,007	
Road paving projects		76,734	
Total public works	<u>221,025</u>	<u>103,972</u>	<u>117,053</u>
RECREATION			
Salaries		330	
Contribution		63,015	
Total recreation	<u>65,750</u>	<u>63,345</u>	<u>2,405</u>
Total expenditures	<u>\$ 929,200</u>	<u>\$ 777,127</u>	<u>\$ 152,073</u>



ROAD  
MAINTENANCE  
FUND

OCEOLA TOWNSHIP  
ROAD MAINTENANCE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents  
Due from other funds

\$ 60,402  
1,745

Total

\$ 62,147

FUND BALANCE

FUND BALANCE

\$ 62,147

OCEOLA TOWNSHIP  
ROAD MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Assessments - various roads	\$	\$ 53,833	\$
Interest		<u>83</u>	
Total revenues	53,500	53,916	416
EXPENDITURES			
Maintenance - various roads	<u>40,000</u>	<u>38,155</u>	<u>1,845</u>
Excess of revenues over (under) expenditures	13,500	15,761	2,261
FUND BALANCE, JULY 1, 2004	<u>46,386</u>	<u>46,386</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 59,886</u>	<u>\$ 62,147</u>	<u>\$ 2,261</u>

ROAD  
MILLAGE  
FUND

OCEOLA TOWNSHIP  
ROAD MILLAGE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents  
Taxes receivable

\$ 1,469,592  
100

Total assets

\$ 1,469,692

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 2,785

FUND BALANCE

1,466,907

Total liabilities and fund balance

\$ 1,469,692

OCEOLA TOWNSHIP  
ROAD MILLAGE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Tax collections	\$	\$ 379,660	\$
Miscellaneous		110	
Interest		<u>22,527</u>	
Total revenues	<u>390,000</u>	<u>402,297</u>	<u>12,297</u>
EXPENDITURES			
Road maintenance		211,310	
Dust control		70,130	
Audit fees		500	
Miscellaneous		<u>34</u>	
Total expenditures	<u>350,000</u>	<u>281,974</u>	<u>68,026</u>
Excess of revenues over (under) expenditures	40,000	120,323	80,323
FUND BALANCE, JULY 1, 2004	<u>1,346,584</u>	<u>1,346,584</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,386,584</u>	<u>\$ 1,466,907</u>	<u>\$ 80,323</u>

LIQUOR LAW  
ENFORCEMENT  
FUND

OCEOLA TOWNSHIP  
LIQUOR LAW ENFORCEMENT FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,380

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to general fund

\$ 646

FUND BALANCE

734

Total liabilities and fund balance

\$ 1,380



OCEOLA TOWNSHIP  
LIQUOR LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
State shared revenue	\$	\$ 1,237	\$
Interest		<u>37</u>	
Total revenues	<u>1,250</u>	<u>1,274</u>	<u>24</u>
EXPENDITURES			
Inspection salary		600	
Payroll taxes		46	
Audit fees		<u>300</u>	
Total expenditures	<u>1,550</u>	<u>946</u>	<u>604</u>
Excess of revenues over (under) expenditures	(300)	328	628
FUND BALANCE, JULY 1, 2004	<u>406</u>	<u>406</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 106</u>	<u>\$ 734</u>	<u>\$ 628</u>

RECREATION / CEMETERY  
FUND

OCEOLA TOWNSHIP  
RECREATION/CEMETERY FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Due from other funds

\$ 949,449

FUND BALANCE

FUND BALANCE

\$ 949,449

OCEOLA TOWNSHIP  
RECREATION/CEMETERY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES	\$
EXPENDITURES	<hr/>
Excess of revenues over (under) expenditures	
OTHER FINANCING SOURCES	
Transfers in	<hr/> 949,449
Excess of revenues over (under) expenditures and other financing sources	949,449
FUND BALANCE, JULY 1, 2004	<hr/>
FUND BALANCE, JUNE 30, 2005	<u><u>\$ 949,449</u></u>

BUILDING IMPROVEMENT  
FUND

OCEOLA TOWNSHIP  
BUILDING IMPROVEMENT FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,557,862

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds

\$ 950,677

FUND BALANCE

607,185

Total liabilities and fund balance

\$ 1,557,862

OCEOLA TOWNSHIP  
BUILDING IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Cable fees	\$	\$ 55,646	
Lease		23,652	
Interest		<u>34,729</u>	
Total revenues	<u>70,000</u>	<u>114,027</u>	<u>44,027</u>
EXPENDITURES			
Audit fees and other		300	
Maintenance/construction		81,518	
Land purchase		2,041,525	
Land improvement		1,926	
Survey costs		<u>2,900</u>	
Total expenditures	<u>2,200,000</u>	<u>2,128,169</u>	<u>71,831</u>
Excess of revenues over (under) expenditures	(2,130,000)	(2,014,142)	115,858
OTHER FINANCING (USES)			
Transfers (out)		<u>(949,449)</u>	<u>(949,449)</u>
Excess of revenues over (under) expenditures and other financing (uses)	(2,130,000)	(2,963,591)	833,591
FUND BALANCE, JULY 1, 2004	<u>3,570,776</u>	<u>3,570,776</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,440,776</u>	<u>\$ 607,185</u>	<u>\$ 833,591</u>

CEMETERY PERPETUAL  
CARE  
FUND



OCEOLA TOWNSHIP  
CEMETERY PERPETUAL CARE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 7,026

FUND BALANCE

FUND BALANCE

\$ 7,026

OCEOLA TOWNSHIP  
CEMETERY PERPETUAL CARE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005

REVENUE	
Interest income	\$ 125
EXPENDITURES	<u>          </u>
Excess of revenues over expenditures	125
FUND BALANCE, JULY 1, 2004	<u>6,901</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 7,026</u>

EAGER / LATSON WATER  
DEBT SERVICE  
FUND

OCEOLA TOWNSHIP  
EAGER/LATSON WATER DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 74,920

FUND BALANCE

FUND BALANCE

\$ 74,920

OCEOLA TOWNSHIP  
EAGER/LATSON WATER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$	\$ 782	\$ 782
EXPENDITURES			
Excess of revenues over (under) expenditures		782	782
OTHER FINANCING USES			
Transfer in	<u>75,000</u>	<u>74,138</u>	<u>(862)</u>
Excess of revenues over (under) expenditures		<u>74,920</u>	
FUND BALANCE, JULY 1, 2004			
FUND BALANCE, JUNE 30, 2005	<u>\$ 75,000</u>	<u>\$ 74,920</u>	<u>\$ (80)</u>

SEWER DEBT SERVICE

#1 FUND

OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #1 FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 90,106
Special assessments receivable	<u>247,337</u>

Total assets	<u>\$ 337,443</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 247,337
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FUND BALANCE

<u>90,106</u>
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Total liabilities and fund balance	<u>\$ 337,443</u>
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OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #1 FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 63,929	\$
Special assessments - interest		31,911	
Interest		<u>1,544</u>	
Total revenues	<u>95,000</u>	<u>97,384</u>	<u>2,384</u>
EXPENDITURES			
Debt service			
Principal		78,645	
Interest		16,838	
Agent fees		60	
Audit fees		<u>250</u>	
Total expenditures	<u>100,000</u>	<u>95,793</u>	<u>4,207</u>
Excess of revenues over (under) expenditures	(5,000)	1,591	6,591
FUND BALANCE, JULY 1, 2004	<u>88,515</u>	<u>88,515</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 83,515</u>	<u>\$ 90,106</u>	<u>\$ 6,591</u>



SEWER DEBT SERVICE

#2 FUND

OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #2 FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 235,910
Special assessments receivable	<u>700,049</u>
Total assets	<u>\$ 935,959</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 700,049
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FUND BALANCE

235,910

Total liabilities and fund balance	<u>\$ 935,959</u>
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OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #2 FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 121,110	\$
Special assessments - interest		17,493	
Interest		<u>4,103</u>	<u></u>
Total revenues	<u>140,000</u>	<u>142,706</u>	<u>2,706</u>
EXPENDITURES			
Debt service			
Principal		143,325	
Interest		21,352	
Audit		<u>250</u>	<u></u>
Total expenditures	<u>170,000</u>	<u>164,927</u>	<u>5,073</u>
Excess of revenues over (under) expenditures	(30,000)	(22,221)	7,779
FUND BALANCE, JULY 1, 2004	<u>258,131</u>	<u>258,131</u>	<u></u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 228,131</u>	<u>\$ 235,910</u>	<u>\$ 7,779</u>

SEWER DEBT SERVICE

#1 A FUND

OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #1A FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 236,502
Special assessments receivable	<u>267,043</u>

Total assets	<u>\$ 503,545</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 267,043
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FUND BALANCE

<u>236,502</u>
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Total liabilities and fund balance	<u>\$ 503,545</u>
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OCEOLA TOWNSHIP  
SEWER DEBT SERVICE #1A FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 38,457	\$
Special assessments - interest		22,347	
Interest		<u>4,221</u>	
Total revenues	<u>63,000</u>	<u>65,025</u>	<u>2,025</u>
EXPENDITURES			
Debt service			
Principal		35,000	
Interest		26,993	
Agent fees		400	
Audit fees		<u>250</u>	
Total expenditures	<u>65,000</u>	<u>62,643</u>	<u>2,357</u>
Excess of revenues over (under) expenditures	(2,000)	2,382	4,382
FUND BALANCE, JULY 1, 2004	<u>234,120</u>	<u>234,120</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 232,120</u>	<u>\$ 236,502</u>	<u>\$ 4,382</u>

WATER DEBT SERVICE

#1 FUND

OCEOLA TOWNSHIP  
WATER DEBT SERVICE #1 FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 677,155
Special assessments receivable	<u>1,505,236</u>

Total assets	<u>\$ 2,182,391</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 7,082
Deferred revenue	<u>1,505,236</u>

Total liabilities	1,512,318
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FUND BALANCE

<u>670,073</u>
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Total liabilities and fund balance	<u>\$ 2,182,391</u>
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OCEOLA TOWNSHIP  
WATER DEBT SERVICE #1 FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 201,907	\$
Special assessments - interest		104,760	
Interest		<u>11,552</u>	
Total revenues	<u>315,000</u>	<u>318,219</u>	<u>3,219</u>
EXPENDITURES			
Debt service			
Principal		160,740	
Interest		135,658	
Administrative		<u>806</u>	
Total expenditures	<u>330,000</u>	<u>297,204</u>	<u>32,796</u>
Excess of revenues over (under) expenditures	(15,000)	21,015	36,015
FUND BALANCE, JULY 1, 2004	<u>649,058</u>	<u>649,058</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 634,058</u>	<u>\$ 670,073</u>	<u>\$ 36,015</u>

THOMPSON LAKE  
DEBT SERVICE  
FUND

OCEOLA TOWNSHIP  
THOMPSON LAKE DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 116,850
Special assessments receivable	209,250
Due from other funds	<u>2,250</u>
Total assets	<u>\$ 328,350</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 73,131
Deferred revenue	<u>209,250</u>
Total liabilities	282,381

FUND BALANCE

	<u>45,969</u>
Total liabilities and fund balance	<u>\$ 328,350</u>

OCEOLA TOWNSHIP  
THOMPSON LAKE DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 23,400	\$
Special assessments - interest		13,959	
Interest		<u>2,088</u>	
Total revenues	<u>36,000</u>	<u>39,447</u>	<u>3,447</u>
EXPENDITURES			
Debt service			
Principal		20,000	
Interest		15,352	
Administrative		<u>425</u>	
Total expenditures	<u>40,000</u>	<u>35,777</u>	<u>4,223</u>
Excess of revenues over (under) expenditures	(4,000)	3,670	7,670
FUND BALANCE, JULY 1, 2004	<u>42,299</u>	<u>42,299</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 38,299</u>	<u>\$ 45,969</u>	<u>\$ 7,670</u>

OAKCREST  
DEBT SERVICE  
FUND

OCEOLA TOWNSHIP  
OAKCREST DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 51,894
Special assessments receivable	<u>89,591</u>

Total assets	<u>\$ 141,485</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 67,050
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FUND BALANCE

<u>74,435</u>
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Total liabilities and fund balance	<u>\$ 141,485</u>
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OCEOLA TOWNSHIP  
OAKCREST DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 34,425	\$
Special assessments - interest		7,287	
Interest		<u>1,080</u>	
Total revenues	<u>55,000</u>	<u>42,792</u>	<u>(12,208)</u>
EXPENDITURES			
Debt service			
Principal		40,000	
Interest		5,752	
Administrative		<u>600</u>	
Total expenditures	<u>55,000</u>	<u>46,352</u>	<u>8,648</u>
Excess of revenues over (under) expenditures		(3,560)	(3,560)
FUND BALANCE, JULY 1, 2004	<u>77,995</u>	<u>77,995</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 77,995</u>	<u>\$ 74,435</u>	<u>\$ (3,560)</u>

GOLF CLUB  
DEBT SERVICE  
FUND



OCEOLA TOWNSHIP  
GOLF CLUB DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash	\$ 66,730
Special assessments receivable	<u>421,215</u>

Total assets	<u>\$ 487,945</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 421,215
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FUND BALANCE

<u>66,730</u>
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Total liabilities and fund balance	<u>\$ 487,945</u>
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OCEOLA TOWNSHIP  
GOLF CLUB DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 30,087	\$
Special assessments - interest		22,565	
Interest income		<u>968</u>	
Total revenues	<u>50,000</u>	<u>53,620</u>	<u>3,620</u>
EXPENDITURES			
Debt service			
Principal		30,000	
Interest		22,500	
Administrative		<u>525</u>	
Total expenditures	<u>55,000</u>	<u>53,025</u>	<u>1,975</u>
Excess of revenues over (under) expenditures	(5,000)	595	5,595
FUND BALANCE, JULY 1, 2004	<u>66,135</u>	<u>66,135</u>	
FUND BALANCE, JUNE 30, 2005	<u><u>\$ 61,135</u></u>	<u><u>\$ 66,730</u></u>	<u><u>\$ 5,595</u></u>

PINERIDGE ROAD  
DEBT SERVICE  
FUND

OCEOLA TOWNSHIP  
PINERIDGE ROAD DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 37,193
Special assessments receivable	<u>715,000</u>

Total assets	<u>\$ 752,193</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 715,000
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FUND BALANCE

<u>37,193</u>
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Total liabilities and fund balance	<u>\$ 752,193</u>
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OCEOLA TOWNSHIP  
PINERIDGE ROAD DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 65,000	\$
Special assessments - interest		39,000	
Interest income		<u>472</u>	<u></u>
Total revenues	<u>104,000</u>	<u>104,472</u>	<u>472</u>
EXPENDITURES			
Debt service			
Principal		65,000	
Interest		35,213	
Administrative		<u>525</u>	<u></u>
Total expenditures	<u>101,000</u>	<u>100,738</u>	<u>262</u>
Excess of revenues over (under) expenditures	3,000	3,734	734
FUND BALANCE, JULY 1, 2004	<u>33,459</u>	<u>33,459</u>	<u></u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 36,459</u>	<u>\$ 37,193</u>	<u>\$ 734</u>

M-59 / LATSON WATER AND SEWER  
DEBT SERVICE  
FUND

OCEOLA TOWNSHIP  
M-59/LATSON WATER AND SEWER DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash	\$ 504,637
Special assessments receivable	<u>8,404,800</u>
Total assets	<u>\$ 8,909,437</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 663
Deferred revenue	<u>8,404,800</u>
Total liabilities	8,405,463

FUND BALANCE

	<u>503,974</u>
Total liabilities and fund balance	<u>\$ 8,909,437</u>

OCEOLA TOWNSHIP  
M-59/LATSON WATER AND SEWER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 517,453	\$
Special assessments - interest		470,279	
Interest		<u>7,428</u>	
Total revenues	<u>980,000</u>	<u>995,160</u>	<u>15,160</u>
EXPENDITURES			
Debt service			
Principal		425,000	
Interest		320,800	
Administrative		<u>525</u>	
Total expenditures	<u>885,000</u>	<u>746,325</u>	<u>138,675</u>
Excess of revenues over (under) expenditures	95,000	248,835	153,835
OTHER FINANCING (USES)			
Transfers (out)		<u>(158,037)</u>	<u>(158,037)</u>
Excess of revenues over (under) expenditures and other financing (uses)	95,000	90,798	(4,202)
FUND BALANCE, JULY 1, 2004	<u>413,176</u>	<u>413,176</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 508,176</u>	<u>\$ 503,974</u>	<u>\$ (4,202)</u>



EAGER / LATSON WATER  
CONSTRUCTION FUND

OCEOLA TOWNSHIP  
EAGER/LATSON WATER CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS  
Cash

\$ 1,970,360

FUND BALANCE

FUND BALANCE

\$ 1,970,360

OCEOLA TOWNSHIP  
EAGER/LATSON WATER CONSTRUCTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES

Developer contributions	\$	87,805
Interest		<u>26,574</u>

Total revenues		\$ 114,379
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EXPENDITURES

Project costs		94,651
Printing and publishing		<u>5,230</u>

Total expenditures		<u>99,881</u>
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Excess of revenues over (under) expenditures		14,498
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OTHER FINANCING SOURCES (USES)

Bond proceeds		3,030,000
Transfer (out)		<u>(1,074,138)</u>

Total other financing sources (uses)		<u>1,955,862</u>
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Excess of revenues over (under) expenditures and other financing sources (uses)		1,970,360
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FUND BALANCE, JULY 1, 2004		<u>                    </u>
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FUND BALANCE, JUNE 30, 2005		<u>\$ 1,970,360</u>
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EAGER ROAD  
CONSTRUCTION  
FUND

OCEOLA TOWNSHIP  
EAGER ROAD CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS  
Cash

\$ 78,321

FUND BALANCE

FUND BALANCE

\$ 78,321

OCEOLA TOWNSHIP  
EAGER ROAD CONSTRUCTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES	
Interest	\$ 2,784
EXPENDITURES	
Road project costs	<u>202,044</u>
Excess of revenues over (under) expenditures	(199,260)
FUND BALANCE, JULY 1, 2004	<u>277,581</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 78,321</u>

PINERIDGE ROAD  
CONSTRUCTION  
FUND

OCEOLA TOWNSHIP  
PINERIDGE ROAD CONSTRUCTION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES	
Interest	\$ <u>135</u>
EXPENDITURES	
Project costs	41,114
Audit fees	<u>250</u>
Total expenditures	<u>41,364</u>
Excess of revenues over (under) expenditures	(41,229)
FUND BALANCE, JULY 1, 2004	<u>41,229</u>
FUND BALANCE, JUNE 30, 2005	<u><u>\$</u></u>



SEWER NEW USER  
FUND

OCEOLA TOWNSHIP  
SEWER NEW USER FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 2,390,171
Contracts receivable - residents	<u>60,722</u>

Total assets	<u>\$ 2,450,893</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 60,722
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FUND BALANCE

	<u>2,390,171</u>
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Total liabilities and fund balance	<u>\$ 2,450,893</u>
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OCEOLA TOWNSHIP  
SEWER NEW USER FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES

Connection fees	\$ 462,000	
Special assessments - principal	10,621	
Special assessments - interest	3,594	
Rent	11,375	
Interest	<u>29,285</u>	
Total revenues		\$ 516,875

EXPENDITURES

Construction and system maintenance	1,380	
Audit fees	2,925	
G/O Swath Expansion	30,000	
Debt - G/O Swath	306,724	
Miscellaneous	<u>6,000</u>	

Total expenditures		<u>347,029</u>
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Excess of revenues over (under) expenditures		169,846
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OTHER FINANCING SOURCES

Transfers in		<u>79,018</u>
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Excess of revenues over (under) expenditures and other financing sources		248,864
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FUND BALANCE, JULY 1, 2004		<u>2,141,307</u>
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FUND BALANCE, JUNE 30, 2005		<u>\$ 2,390,171</u>
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WATER NEW USER  
FUND

OCEOLA TOWNSHIP  
WATER NEW USER FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 363,913
Contracts receivable - residents	614,741
Due from other funds	<u>78,626</u>
Total assets	<u>\$ 1,057,280</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 614,741
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FUND BALANCE

442,539

Total liabilities and fund balance	<u>\$ 1,057,280</u>
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OCEOLA TOWNSHIP  
WATER NEW USER FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES		
Connection fees	\$ 486,000	
Special assessments - principal	37,560	
Special assessments - interest	86,261	
Interest	<u>7,434</u>	
Total revenues		\$ 617,255
EXPENDITURES		
Construction, maintenance and MHOG expansion	\$1,809,092	
Audit fees	2,925	
Miscellaneous	<u>6,000</u>	
Total expenditures		<u>1,818,017</u>
Excess of revenues over (under) expenditures		(1,200,762)
OTHER FINANCING SOURCES		
Transfers in		<u>1,079,019</u>
Excess of revenues over (under) expenditures and other financing sources		(121,743)
FUND BALANCE, JULY 1, 2004		<u>564,282</u>
FUND BALANCE, JUNE 30, 2005		<u>\$ 442,539</u>

M-59 / LATSON WATER AND SEWER  
CONSTRUCTION  
FUND

OCEOLA TOWNSHIP  
M-59/LATSON WATER AND SEWER CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS  
Cash

\$ 436,821

FUND BALANCE

FUND BALANCE

\$ 436,821



OCEOLA TOWNSHIP  
M-59/LATSON WATER AND SEWER CONSTRUCTION FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR END JUNE 30, 2005

REVENUES		
Interest		\$ 6,319
EXPENDITURES		
Project costs	\$ 67,208	
Audit fees	<u>500</u>	
Total expenditures		<u>67,708</u>
Excess of revenues over (under) expenditures		(61,389)
FUND BALANCE, JULY 1, 2004		<u>498,210</u>
FUND BALANCE, JUNE 30, 2005		<u><u>\$ 436,821</u></u>

TRUST AND AGENCY  
FUND

OCEOLA TOWNSHIP  
TRUST AND AGENCY FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents  
Due from others

\$ 92,588  
601

Total assets

\$ 93,189

LIABILITIES

LIABILITIES

Due to other funds  
Due to others

\$ 27  
93,162

Total liabilities

\$ 93,189

CURRENT  
TAX  
FUND

OCEOLA TOWNSHIP  
CURRENT TAX FUND  
BALANCE SHEET  
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 106

LIABILITIES

LIABILITIES

Due to other funds

\$ 106



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**PFEFFER ■ HANNIFORD ■ PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

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**(810) 229-5550**  
**FAX (810) 229-5578**

October 5, 2005

Honorable Board of Trustees  
Oceola Township  
1577 North Latson  
Howell, Michigan 48843

Dear Honorable Board of Trustees:

During the audit process for the year ending June 30, 2005 certain items came to our attention which we would like to discuss with you. Those items are as follows:

1. During the audit process, it became evident that there is confusion amongst employees and officials related to approved policies for various employment issues. We are recommending the Township adopt a personnel policies manual.
2. The Township should reconcile the various special assessments to the general ledger on an interim basis. We are suggesting a reconciliation of special assessments be done during the year. This would help assure that the assessor's records agree with the financial records.
3. During the year the Township paid an invoice with the description "Donation for the Howell Skate Park". Under the state guidelines, local municipalities are not allowed to make donations. In the future, payments should only be made for contractual agreements or for services provided.
4. Several years ago there were unbonded special assessment collections (\$73,131) which were deposited into the Thompson Lake Water Debt Service Fund. The amount should have been deposited into the Water New User Fund. The Thompson Lake Water Debt Service Fund used the amount to assist in making its annual bond payment. Therefore, it was recorded as an interfund loan. It does not appear the amount will be repaid by the Thompson Lake Water Debt Service Fund because of a lack of assessments. For proper accounting procedures, we suggest the board approve a motion to forgive the loan between both funds and write off the balance as a transfer.

The general fund is also carrying a receivable due from the Downtown Development Authority in the amount of \$40,136. It appears it may not be repaid. If this is the case we suggest the Township Board approve a motion to write the receivable off as an expense with a budget amendment.

5. While reviewing the minutes we found the Township was not always consistent on the amounts charged to various organizations for the use of the Township Hall. We suggest the Township Board approve a policy which is consistent and based on the type of use of the hall (i.e., parties, meetings, social events).

6. The Trust and Agency Fund was not reconciled regularly during the year. However, we were able to reconcile the fund as part of the audit fieldwork as of June 30, 2005. Amounts posted for each escrow or project did not reflect correct balances. The Trust and Agency Fund should be reconciled on a monthly basis at the same time the bank reconciliation is done. We have advised personnel involved with posting to the Trust and Agency Fund of correct procedures to follow for better accounting of deposits and disbursements.

We would like to thank the township officials and employees that assisted us during the audit process for their cooperation.

If you should have any questions, comments or concerns please do not hesitate to call us.

This report is intended solely for the information and use of the Board of Trustees and management of Oceola Township and is not intended to be and should not be used by anyone other than the specified parties.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants